

## FAILS TO MAKE PAYMENT

The Washington Traction and Electric Company in Default.

### Bondholders to Receive 55 Per Cent of a New Issue and 55 Per Cent in Preferred Stock

NEW YORK June 1.—The Washington Traction and Electric Company today defaulted in the payment of the interest on its first mortgage collateral bonds. At the United States Mortgage and Trust Company, where the interest payments are made, the statement was made that the railway company was unable to meet the interest payment amounting to somewhat over \$250,000.

The New York News Bureau says: "Default having occurred in the payment of the interest due June 1 on first mortgage collateral trust bonds of the Washington Traction and Electric Company, G. W. Young, J. C. Brown, James Simpson, W. H. Hollister, and G. M. Lane have been requested by the holders of the majority of said bond to act as a commission for the protection of the majority of said bonds and to prepare a plan of reorganization which they are now doing. George W. Young has been elected chairman. The members are requested to send their names and addresses together with a statement of their holdings to Richard M. Hurd, 59 Cedar Street, the secretary."

The News Bureau adds on the authority of "a banking house" that it is understood that an agreement has been reached whereby the company will be

reorganized on the following basis: The present \$13,500,000 of 4 1-2 per cent bonds are to be exchanged for 55 per cent of the new 4 per cent bonds and 55 per cent in new preferred stock. The common stock is to be assessed 15 per cent.

The holdings of the bonds in this city are not large, comparatively, but several hundred thousand dollars are invested in them here. Aside from this direct pecuniary interest of many people in the announcement, the financial community in general has watched the affairs of the Washington Traction Company from the beginning with much interest.

The plan outlined in the New York despatches for the reorganization of the company is comparatively simple and speedy. It is not understood that this plan has been decided on finally, but it is thought probably by careful financial people that it will be adopted as the best

the solution of the difficulty possible under the circumstances. The plan gives to the present bondholders 56 per cent of new bonds and the remainder in cash. The new bonds are nearly in half. The interest is reduced to 4 per cent, and this reduction makes the interest payments a trifle less than half of the former amount. This radical reduction is thought by many to be a very wise outlook for the new bonds an excellent one.

Estimates were various in the Street as to what the price of the new issue was to be on the market. The conservative banker stated he believed that the price would be at least 80. The preferred stock will take this place of the second half of the bonds. This stock is very much an unknown quantity, but generally it inclines people to the opinion that the new issue should be at least sufficient to make up to the present bondholders the recent market price of the old issue around 65.

It was learned today that a very large block of new bonds had been purchased yesterday afternoon for 68 after the news of the inevitable default in the interest had been heard. This purchase was argued to show

Further rumors that an entirely new coterie of New York capitalists are in control of this stock and hence of the company itself were heard today. It is there is a new coterie, it is possible that the committee of the bondholders' committee will not meet with approval from it and that further complications may arise. In this event the disruption of the Washington

The Washington Traction bonds would firm on the local exchange today around 65, a slight concession from yesterday's price.

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### RETURNING TO AMERICA.

The Logan Sails From Manila With Infantry Aboard.

Adjutant General Corbin today received

the following cablegram from General MacArthur at Manila:

"Manila, June 1, 1901.  
"Adjutant General, Washington:  
"Transport Logan sailed May 31, via Nagasaki, with two battalions of the Thirty-eighth Volunteer Infantry, 21 officers, 577 enlisted men; Forty-fourth Volunteer Infantry, 35 officers, 1,961 enlisted men."

**THE BATTLESHIP ILLINOIS.**

**She Will Be Ready for Her Trial Trip on June 11.**

The Newport News Shipbuilding Company today informed the Navy Department that the battleship Illinois would be ready for her trial trip on June 11.

It is doubtful if the trial will be held on that day as the trial board will not be ready for some time.

**A New Revenue Collector.**—Edward B. Jordan took charge of the office of Collector of Internal Revenue for the First district of New York today, with headquarters in Brooklyn. Mr. Jordan succeeds Frank B. Moore, who has been

**Four Per Cent Bonds Bought.**  
Secretary Gage today purchased \$17,250 Government 4 per cent bonds of 1907.

**A Promotion for Mr. Wishard.**  
Albert A. Wishard, United States A

torney for the State of Indiana, has been appointed Solicitor to the Commission of Internal Revenue, vice G. M. Thoma resigned. The new solicitor assumes the duties of the office.

**Indian School and Hospital.**  
Plans and specifications have been completed for a school building to cost

about \$35,000; and a hospital about \$5,000 to be erected at the Indian School at G. noa, Neb.

**Chesapeake Beach Trains Today**  
 Leave 10:30 a. m., 2:30 p. m., 5:30 p. m., 7  
 p. m. Return 6 and 10 p. m. 50 cents round  
 trip.

Interest paid on deposits, subject to check  
Banking dept., Union Trust & Storage Co., 1411

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